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Loree, Leonor Fresnel

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SOCIALISM

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An Address by

L. F. LOREE,
President, The Delaware and Hudson Company,

at Annual Convention of

National Boot and Shoe Manufacturers' Association

Hotel Astor,
New York City,
January 16, 1923.

Socialism

An Address delivered on January 16, 1923, by

L. F. LOREE

President, The Delaware and Hudson Company

At Annual Convention of

National Boot and Shoe Manufacturers' Association

Hotel Astor

New York City

ADDRESS ON "SOCIALISM" BY L. F. LOREE AT ANNUAL LUNCHEON OF NATIONAL BOOT AND SHOE MANUFACTURERS' ASSOCIATION, HOTEL ASTOR, NEW YORK CITY, JANUARY 16, 1923

In 1911, when the latest complete edition of the Encyclopaedia Britannica was published, it contained a carefully reasoned and sympathetic article on socialism which opened with this definition: "Socialism is that policy or theory which aims at securing by the action of the central democratic authority a better distribution and, in due subordination, a better production of wealth than now prevails."

In December, 1922, the Encyclopaedia Britannica brought out three additional volumes intended to bring the work up to date, and the writer of its article on socialism said that the definition given by Bonar in his article of 1911 could no longer be supported; that any present-day definition of socialism would certainly have to emphasize the fact that it seeks not merely a better distribution but a fundamental reorganization of the whole system of organized society, political as well as economic; that it is at once a theory or body of theories, and a movement or rather a number of movements, more or less clearly connected. The word is used in a number of different and overlapping senses, while the changes that have occurred in its meaning have not served to clarify it.

Lynden Macassey, who had a broad experience in handling, for the English government, its relations with labor during the, period of the war, says that "socialism is too amorphous to admit of any workable definition, but certain brands of socialism can be described, if not defined. The one common characteristic is abolition of the 'capitalistic organization' of industry. If we call this A, then we can say that all schemes of socialism can be reduced to the general formula A plus X, where X is a symbol standing for a very large number of variables which comprise the methods by which the capitalist is to be extinguished; the

terms on which the present capitalist will be compensated or otherwise expropriated; the persons or authority in whom the means of production, distribution and exchange will be vested; the persons or body to be responsible for the organization of industry and its control; the means by which capital will be found and prices regulated; the relation in which the new industrial system will stand to the community, and the various socialized industries to one another."

The socialist, in striving for the destruction of the capitalistic organization, seeks then the same end as does the anarchist, the communist, the positivist, the co-operator and other reformers and differs from them only in the method he would use to attain his end.

Socialism being involved in so much confusion and contradiction and working out in so many different ways in different countries, its course can be traced only through an exploration of the literature of the subject, and it is that which I have undertaken to do in what follows.

Vague Utopian dreamings have been variously formulated by writers since the days of Plato, but socialism is distinguished from these as being really a political claim founded on an economic argument. It had its beginnings with the activities of Robert Owen, a cotton manufacturer in southern Scotland, as early as 1805, and the name itself came into use in that connection in 1827. It was first formulated in a definite system of views and policies by Karl Marx, who never had a responsible position or acquaintance with industry but had been a diligent student of economic theories, particularly its literature, for many years, in the British Museum and, with Engels, published his views in the "Communist Manifesto" of 1847; and later in his work, "Das Kapital," 1867, which is the working into a system of the most vital ideas of the manifesto. Marx defines theories of value, surplus value and final value, a theory of wages, of supply and demand, of the social regulation of production, of population, and of the accumulation of capital, and in expounding his theories makes a number of prophecies concerning the actual future of capitalism. But while these theories stimulated a sense of injustice and oppression among the subordinate workers, it was his doctrine of the "economic

interpretation of history" that gave them a sense of possessing a mission and of having on their side the great World forces of social transformation. Thus while socialism has an economic and political theory, which is its creed, it also has its change of heart, which is also a change of view, which is its faith. He gave the classes of workers which he addressed a sense of fulfilling an historic mission, a sense of power, a conscious purpose not merely of combating the capitalistic system but also of replacing it. His followers preached these theories with the fanatical enthusiasm of the crusaders, not for the redemption of the Holy Land, but for the control of industry by the subordinate grades of labor.

The socialists have always sought to work on an international basis:*

1. They formed the First International in London on September 28th, 1864, and it served as a center of socialistic thought until it received its death blow through the collapse of the Commune in Paris in 1871.

2. The Old Second International dates from the Paris socialist conference of 1889, was constituted in its later form of a Central International Socialist Bureau in 1913 and fell into a state of suspended animation during the World War.

Unsuccessful efforts were made to revive it at Zunnerwald, 1915, Kienthal, 1916, and at Stockholm, 1917; and finally a conference was held at Berne in February, 1919, where an International Labor Charter was drawn up, which was afterward submitted to the Council of Versailles for inclusion in the Treaty of Peace, and was to a considerable extent incorporated in Part XIII. A Permanent Commission was appointed

*To me, the essential of socialism has seemed the elimination of the capitalist by making the workers, either as organized in the state or in some other groups, the owners of the tools. In this view, internationalism would seem to be the ultimate necessity, for short of it there would always be competition between groups or nations, and group and national specialization, with the inevitable consequence that some groups or nations would embargo their products with others in such a way as to collect both (1) wages and (2) return to capital. Nothing less could happen unless the group or nation forborne taking all it could for its product, which seems still to be unthinkable. Socialism, therefore, to be successful, must be on an international basis and is only possible by the destruction of organizations of nations as well as of individuals.

to revive and draw up a new constitution for the Second International.

3. The New Second International: A general international socialist conference was held at Geneva in July, 1920. A constitution was adopted with a declaration of purposes, recognizing the difficulties resulting from the division of socialism into two camps as a result of the Russian revolution of November, 1918.

4. The Third, or Moscow "Red" International, also called the Communist International, was held at Moscow in March, 1919. It took its name from the Communist League for which Marx and Engels had drawn up the famous Communist Manifesto in November, 1847. It advocates the principles of Marxian-revolutionary socialism and a scheme of social and industrial organization constructed on the principles which are peculiar to the Bolshevik regime in Soviet Russia. Frankly disregarding the principle of democracy, it seeks to establish the dictatorship of the proletariat, the overthrow of capitalism, the complete abolition of classes and the realization of revolutionary socialism. Lenine bases his contentions on an almost religious reverence for the words of Marx and seeks always to justify his position by copious quotations from Marx's books and manifestoes.

5. In England the Independent Labor Party is affiliated with yet another International, the body known as the Vienna International, or the "Two and a Half."

The division of opinion in the socialistic ranks, as displayed by the divisions into which they have split since 1917, is profound and promises to be permanent. Due largely to the events of the war and to the revolution in Russia, they continue in a state of unrest and transition. Macassey, in reviewing the present situation, describes these divisions to be:

1. The majority, or state socialists, who advocate that the state should acquire the means of production, distribution and exchange, or, to reduce it to practical terms, land and national industries.

2. The Syndicalists, who propose the eviction of the private owner by the workers, who would form some consolidated body,

usually in the shape of an industrial union, including all persons concerned in the operation of the industry, and that body would carry on the industry solely in the interests of the workers.

3. The Guildsmen, who say that state socialism would mean a rigid bureaucracy, and, so far as the workers are concerned, little advance on the capitalist regime; further, that the syndicalist conception is doomed to failure because it makes no provision for including the supervisory, technical, managerial and administrative staff, nor allows any safeguards for the consuming community against the selfish exercise of monopolies upon which the people are dependent for their necessary commodities and services.

They propose to replace craft trades unions by industrial unionism under which all the manual workers employed in each industry would be enrolled and with them all the supervisory, technical, managerial and administrative staff, and that this Guild should be entirely responsible for the control and organization of the work of the particular industry, with a National Guild Congress of all industries in the country.

They press in industry the policy known as "encroaching control."

(a) In the demand put forward for the election of foremen and supervisors by the rank-and-file workman.

(b) In the policy known as the collective contract.

They claim that in the past production has been secured by fear (of unemployment and starvation) and greed (for higher remuneration as by "payment by results").

They contend these stimuli are showing themselves inadequate and would substitute the feeling—

(a) that when the worker is putting his best in the work, he is serving not himself but the whole community.

(b) that the responsibility is on him and he must be free to organize his own work.

The two things are often called "free commercial service."

They recognize that this will make higher demands upon the will and good will of the mass of the people than does the

capitalist system. They also hold that the power which goes with responsibility must be diffused to the widest practical extent.

4. Nationalization and democratic control, a baffling phrase but meaning generally that the state should buy out, say, the coal owners, and that there should be established a National Mining Council; composed, as to one-half, of representation of the manual workers, and, as to the other half, of representatives of the government to represent the technical, administrative and commercial sides of the industry; together with other persons representing the consuming community. The Council would determine the annual output, fix prices and control finances. The Pit Committee would control the individual colliery, the mine manager being responsible to the Pit Committee. This scheme, which generally is identical with that proposed by the United Mine Workers and with the Plumb Plan of railway workers, differs from state socialism in that the state is not the direct employer and differs from syndicalism in that the workers do not have autocratic control, and from guild socialism in that the control is not entirely by a Guild representative, but by a council one-half miners, one-half government representatives.

Guild Socialism, and Syndicalism, familiar in this country in the organization of the Independent Workers of the World, stress rather the economic than the political character of the transition to a socialist system. They no longer look to the control of industry by the state, but by the organized workers who are engaged in it, and this leads to efforts by the socialist, first, to influence and, later, to control the trade unions.

The Webbs say that the political and social creed of the trade union leaders (in England) was, up to 1885, *laissez faire*, and to that time all observers were agreed that they would furnish an impenetrable barrier against socialist projects. Yet, within a decade, the whole trade union world was permeated with collectivist ideas and, as early as 1893, the Socialist party was supreme in the trades union congress. This revolution in opinion, they say, is the chief event of trade union history at the close of the 19th Century.

It is very curious to note with what fidelity movements in this country often follow those in England. Here we have the same tendency to a joining of hands on the part of politicians and labor unionists to effect political control along socialistic lines. The efforts of Wm. Z. Foster in the organization of the steel strike in 1919 and his present effort to organize sixteen railroad crafts in one union, the demands of the United Mine Workers in the coal industry and the demands of some of the transportation unions in the railroad industry, are indications of the repeating here of movements that have apparently already reached their culmination in England.

With these later movements has gone a development of "direct action," the fundamental quality of which is its anarchistic character. It is often put into use for the purpose of wrecking existing craft trade union organizations. It is intended to exercise and develop by it all the latent power of the manual workers and to usher in social revolution, as the easiest and quickest and sometimes the only road to political power; and labor in England is greedy for political power. It was a sinister thing that on August 13th, 1920, they created a "Council of Action," to which was handed over the executive responsibility of the trades unions, for the purpose of imposing their will upon the nation through the direct action of seizing it by the throat, the Council of Action becoming the Government without the ordinary preliminary of a general election. The plan was to promote a general strike, ostensibly to compel the Government to desist from armed intervention in Ireland and Russia. Finding public opinion setting strongly against them and not tolerant of revolutionary methods, they committed no overt acts.

In 1913 Professor Simkhovitch published a small work "Marxism vs. Socialism" that may well be seriously studied. He reviews the theories of Marx and his predictions as to certain economic tendencies which he considered as inherent in socialism, thus making the validity of his social prognosis a vital part of his socialist system.

Marx declared that all capital was derived by paying labor less than the value it created. Now capital consists primarily of deferred wages; things that are not money; of goods upon

which people subsist while producing other goods; of factories, machinery, and raw materials. In the origin of capital, the worker, by abstinence and self-restraint, postpones enjoyment in order that his subsequent labor may be lighter and more productive. The return to the owner of capital thus consists of postponed wages. Capital is a definite agent of production, capable of application not merely by the employer but by other men. It is something which, when used in production, is consumed, so that he who adventures it must possess such experience and judgment as will enable him to surmount the risk of loss and obtain a result sufficient to replace the capital that has been consumed, to remunerate himself for the services he has rendered and the risks to which he has been subjected, and to recompense the lender for his thrift.

It was, perhaps, Marx's greatest error that he taught the subordinate laborers that they could do these things for themselves, whereas all history has taught that these things can be done only by specialists, who, for purposes of description, have come to be called capitalists.

It is unfortunate that so much of the attention of economists has been concentrated on problems of distribution and so little on problems of production. What needs speedily to be done is to distinguish sharply the contributions to production of the enterpriser, the capitalist and the workman. Until this is done and until this Marxian fallacy that capital is the result of injustice is eliminated from the minds of the workmen, the cooperation so much to be hoped for is not likely to be realized.

Marx's theory of value was that the socially necessary amount of labor-time incorporated in the production of a commodity is what constitutes its value. Therefore, the labor-time reduces itself to that necessary for the production of means of subsistence. In his final value of capital, he at last definitely abandoned this theory of value. He realized and stated that commodities do not exchange in proportion to the labor they contain.

Marx's theory of wages was that the value of labor-power is the value of the means of subsistence necessary for the maintenance of the laborer. The laborer works at his cost price, the bare necessities of a civilized life, but that he produces much

more than his cost, and the surplus due to his "unpaid labor" goes to the employer and the capitalist.

But we have rising wages with falling, advancing or steady prices. We may have stable hours with increased production, fewer hours with stable or decreased production.

The idea was stressed that it was the under-paid labor of the poor that is the main source of the wealth of the rich.

He finally abandoned the living-wage theory to say that wages are regulated by the competition of the reserve army of the unemployed with those employed.

Based upon these theories Marx predicted a development of society and economics, of which the following were the outstanding features. Simkhovitch, feeling that the experience of the 64 years that had elapsed since the Communist Manifesto was sufficient to test the Marxian prognosis of economic tendencies, painstakingly examines the experience of industry as testing their validity.

(a) THE RAPID CONCENTRATION OF PRODUCTION IN INDUSTRY AND AGRICULTURE AND THE DISAPPEARANCE OF SMALL INDUSTRIAL AND COMMERCIAL UNDERTAKINGS.

The development of the trust can scarcely be regarded as the inevitable result of industrial technique. It is rather to be viewed as a counter-revolution against free competition. The types of combinations are so numerous and the policies of the individual combinations are so varied that only one general statement can be made with confidence; namely, that all trusts tend to organize to a greater or less degree their respective industries and to maintain steadier prices. Particularly, socialist production is impossible unless scattered agriculture is concentrated. Socialism encounters in the peasant proprietor its most conservative and most obstinate foe, against whose will no reconstruction of society is conceivable.

The farmer who depends upon his family for labor has a distinct advantage over the landowner who has to depend upon hired farmhands.

Kautsky says "So long as the artisan feels himself to be an artisan, the peasant a peasant, the small trader a small trader, so long as they possess a strong class consciousness, they must, no matter how ill they fare, steadfastly adhere to private ownership of the means of production and remain inaccessible to socialism."

(b) THE CONCENTRATION OF WEALTH IN THE HANDS OF AN EVER-SMALLER GROUP OF MAGNATES OF CAPITAL, ACCOMPANIED BY THE COMPLETE DISAPPEARANCE OF THE MIDDLE CLASS AND GENERAL PROLETARIANISM OF THE MASSES.

As a matter of fact the little we know about the conditions which prevailed in medieval industry gives us no intimation of a golden age, but rather a record of woe and distress.

Sir George Nicholls says "On the whole, then, it may, I think, be assumed that at the end of Elizabeth's reign, notwithstanding the increase which had taken place in the price of all commodities, the great mass of the English people were able by a due exercise of industry to obtain as large an amount of subsistence and physical enjoyment as at any former period."

The industrial proletariat of today is, therefore, not so much a new economic entity as a new political-psychological element in our body politic. Marx entirely overlooked the economic significance of the joint-stock corporation in effecting a wider distribution of both ownership and income.

Not only have the middle class, whose extermination is so essential to the triumph of socialism, greatly increased, but so have the co-partners of the great capitalistic enterprises—the army of stockholders enlisted in the defense of capital and of vested interests.

(c) INCREASING MISERY OF THE PROLETARIAT ACCOMPANIED BY AN EVER-INCREASING CLASS STRUGGLE.

There was, indeed, in the first half of the nineteenth century, a growth of pauperism, a degradation and degeneration

of the laboring class. Misled by this result of necessary adjustments to the changed conditions of industry, economists quite generally adopted the erroneous wage-fund theory, that having subtracted from the accumulated savings and profits of the past the amounts invested in plant and inventory, the free balance constitutes a wage fund, fixed and predetermined and its result as to the individual dependent upon the number of wage earners. But this whole condition and conception faded out before the development of industrial technique, the introduction of new machinery, the improvement of the old, the scientific management of men and processes.

Marx's doctrine of class struggle is but a class yearning, exaggerated and intensified by his class bias, his hatred of the past and his hope of the material future.

He dealt with classes as political economy had long dealt with the economic man; his social class was an ideal body of economic men whose economic interests coincide; it represents a community of interests.

It is, of course, not true that we can have class loyalties only; there is natural solidarity, there is human solidarity, there are a thousand and one cross-sectional solidarities and loyalties. Today, as in the past, the history of mankind and the history of class struggles by no means coincide.

The proletariat no more than other classes is cohesive. Immediate personal interests on the one hand, traditional ideals and aspirations, and religious and national spirit on the other, are powerful factors against class spirit, especially when the latter demands personal sacrifices.

Our impression that class struggles are increasing is due, in large measure, to a more realistic and practical point of view in our political science; nor is there any indication that the proletarian class is growing in relative numbers or class consciousness or is marching toward victory.

Working powerfully against it has been the stream of immigrants with diverse tongues and trainings and our industrial organization with its wise system of promotion, producing a steady evaporation of class feeling and leadership; and, perhaps equally potent, a suffrage permitting every individual the free and unscrutinized expression of his political opinion and the

acceptance without controversy of the expression of the popular verdict.

(d) THAT THERE WOULD BE COMMERCIAL CRISES OR PANICS OF EVER-INCREASING MAGNITUDE, RECURRING AFTER SHORTER AND SHORTER INTERVALS, DUE TO OVER-PRODUCTION.

Nearly every commercial depression since 1850 was heralded as the beginning of the end of capitalism. Each time the proletariat was notified to get ready for the social revolution. It is simply not the fact that crises or panics are increasing in frequency or magnitude, but rather they are less disturbing than they were a half century ago. The Marx theory of crises, as originally formulated with its announcement of the inherent doom of the capitalist organization of society, may well be declared to be both obsolete and untenable. Society possesses enormous and unsuspected recuperative powers; it has more antidotes than there are poisons; it has counter-tendencies for every tendency. It protects itself, it adjusts itself to meet situations as they arise. The fact that the great civilizations of the past have perished is not to be explained by economic hypotheses, but by causes more deeply seated and inherent in the moral character of men.

Such were the tendencies that, according to the Marxian philosophy, were to lead to the collapse of capitalism, to the social revolution and the dictatorship of the proletariat. We may raise both hands and assail the high gods with our demands or we may grovel in the dust and wail out our lamentations. But little good will either do us. Neither in these ways nor in any other yet imagined can we evade the primeval curse, "In the sweat of thy face shalt thou eat bread."

We are dependent upon our industry for our very existence, and humanity is not in a position to dictate conditions, determined by reluctance to labor and by self-love, upon which production must rest. The curse of Adam is deeply written in the constitution of the World, and it is not given to the sons of Adam to measure their stint of sweat.

Living is a result, not a cause, and it cannot be treated as if it were a cause.

Simkhovitch claims that there is not a single idea in the system of Marx which was not suggested or formulated by previous writers but that the combination of their ideas in one universal system is Marx's own achievement. When Marx formulated his doctrine he failed to allow for counter-tendencies, for society's ability to adjust itself, without a revolution, to the new situation brought on by the development of industry. The tendencies he discerned were, in his view, to lead to a break-down of the existing economic organization. Instead, his theory not only itself broke down but society promptly developed counter-tendencies in the opposite direction.

With the break-down of these theories and the failure in fulfillment of these prophesies, everything of Marx's, as an economist, goes with them. But it was not as an economist, it was rather as a theorist of revolution, that Marx started. His philosophy is a philosophy of revolution, and his purpose was to form a social revolution. He attempted to make an exact science of the economic past, to solve the problems of the present and to disclose to us with scientific precision the future. He preached the economic interpretation of history, an idea that added a new note in historical methodology and social philosophy. Today, such is the irony of fate, that the economic interpretation of history, while of great value to the economic student, is an unyielding and merciless trap in which scientific socialism is caught.

Of socialism there is preserved only the name. The inevitable cataclysm and the social revolution have a negative quality, and hence they are assets. Those who preach socialism are in the main social re-formers, but social re-formation cannot conserve the passionate ardor that was kindled by the apocalyptic vision of the social cataclysm.

What is the capitalistic system which it is proposed to destroy? It had its birth with the development by James Watt of his double-acting steam engine, through which the expansive force of steam could be applied to a rotary motion. Under it we work and exchange our work for that of others. As Hartley

Withers points out, "Each one can choose what work he will try to do and what employer he will try to serve. If he does not like his job or his employer, he can leave it or him and try to get another. He cannot earn unless he can do work that somebody wants to buy; his reward depends on the success with which he can satisfy the wants of others, and he must meet the competition of other workers. The money he earns in return for his labor he can spend as he chooses, or can invest in a business of his own or in shares or debts of public companies or debts of governments, and he may hand on his accumulations to any heirs whom he may name. The problems which have to be faced and decided stimulate, strengthen and develop the best effort of every individual. It would be difficult to devise a scheme of economic life more likely to produce great results from human nature as it now is. To it as well, we owe liberty; liberty to possess and to use property; liberty to buy, to sell, to work, to strike; in fact, complete liberty in all economic relation."

Sir Josiah Stamp said, in 1921, "the ordinary person of today is four times as well off in real commodities as the person in the corresponding stage in the scale in the beginning of the 19th Century." Without the enterpriser and the machinery provided by the much-abused capitalist, labor would today be scratching the ground to abstract a penurious living. Nor does this measure the full improvement in conditions. The daily work period of adult males and of female workers in factories and shops had very generally been reduced from twelve to ten hours in 1847, and now to eight hours; the household labor of women has been greatly reduced, and child-labor almost wholly eliminated. Never before has man occupied so strong a position as now; whether we regard the height to which his plane of living has been raised; his knowledge and control of the forces of nature, either in the production of the necessities of life or in the prevention of diseases and the avoidance of epidemics, the reduction of infant mortality and the prolongation of life. Fifty per cent has been added to the lives of those who survive infancy.

There have been at least seventy attempts to carry secular socialism into effect, of which five only survived their fourth year of life. Their history can be read in such works as Nordhoff's "Communistic Societies of the United States" or Mallock's

"Limits of Pure Democracy." The causes of the unhappy end of these great adventures are summed up by Mallock as: "the want of ability in industrial direction, inhering in the nature of all collective industry, and the want of any general incentive sufficiently strong and persistent to insure that directions, if given, will be accepted with submission on the one hand and carried out with punctual and sustained diligence on the other, under a system the essential object of which is to reward the conditions of the poorest worker equally with the best." These attempts culminated, in Italy, in seizure of the factories by the workers and their speedy surrender, the rise to power of the Fascisti party, and, in Russia, in the Bolshevik revolution, which Spargo denominates "the greatest failure of all history." It is of great interest to observe that in Russia, while Bolshevism has destroyed the Monarchy, it has also destroyed the workers and has created a middle class, a class that practically did not exist in Russia prior to the second revolution.

Lord Bacon once observed that "it is often seen that a few that are stiff do tire out a great number that are more moderate." In view of the religious fanaticism and the earnestness with which socialistic policies are urged upon the workman, it will not be sufficient merely to oppose these doctrines with exposure of their fallacies or by pointing to the benefits of the existing order. The attacks upon capital and the misrepresentation of the aims and the purposes of management are so virulent that they have upon the body of the workman much the same fatal effect that the constant dripping of virus from the teeth into the circulation of the blood has upon the human body. His mind is filled, his attitude is perverted, and his conduct controlled by misconceptions as to wages, as to the relations of his associates in industrial enterprise; that is, the enterpriser and the capitalist; he is incited to believe in agitation and made willing to go to the extreme and deliberately to deprive the community, including his co-workers in other industries, of essential services through strikes, in the hope of producing such social hardship as to drive society to constrain employers to accept his demands; he is taught a low conception of work, regarding it not as inuring to his benefit but to that of his employer; those by whom he is misled play upon his class consciousness, separating him as a

section of the community; and his suspicion of his employers, strengthened by the arts of the demagogue skilfully applied and reinforced by false history, in which his own mistakes are forgotten and those of others magnified and nursed in a spirit of revenge. The Honorable Benjamin W. Hooper, Chairman of the United States Railroad Labor Board, in an address before the Illinois State Bar Association, at Chicago, on December 2nd, last, in speaking of the leadership of labor, said:

> "A large portion of the employees' magazines which pass over my desk contain bitter attacks on the railroads, their managements and their policies. These criticisms are not confined to matters of direct controversy between the railways and the employees, but they cover every ground of attack that might be made by those outside of railroad employment. Nothing is left unsaid that seems to be calculated to stir up hatred among the employees and distrust and hostility among the people.
>
> "It is quite remarkable to see the employees of an industry waging war upon that industry with the unquestioned purpose of destroying it.
>
> "That this policy reacts detrimentally to the morale of the employees and detracts from successful operation, is beyond dispute. It has its origin in the fact that the leaders of the employees are conducting a political campaign for government ownership, which ofttimes is inconsistent with their loyalty to the carrier.
>
> "This fact, coupled with one other, also accounts for the strenuous opposition of many of the employees to the Transportation Act, 1920, and the Railroad Labor Board. They feel that the successful adjustment of wages and working conditions and the gradual but certain reduction of freight rates under that statute will conduce to the postponement or prevention of government ownership of the roads."

As Macassey points out, we cannot take a jump into the unknown to substitute for an organization of industry that has brought us so far, a new industrial system with which we have

had no experience, and as to the practical operations and effects of which nothing whatever is ascertainable except the warnings of the sinister experience in Russia; a venture that is subject to risks so grave and possibilities so disastrous as to endanger our whole industrial and commercial prosperity. He insists that there is no difference in the opinions, feelings and sentiments of the workman and those of any other citizen, but he thinks that the workman has a limited outlook, is appallingly ignorant of economic matters and easily influenced by those who, professing to be disinterestedly working in his interest, appeal to him with emotion and earnestness; that he reacts to prejudice and cherishes a grudge against society; that he is, however, open to reason and has no patience with humbug, rhetoric or cant; that there is a great and outstanding need of a sympathetic education and that undoubtedly the thing best worth while doing is the removal of causes for discontent and the establishment of mutual relations recognized as beneficial by all parties. Out of the experience of 3,000 odd conferences and meetings with labor during the war, Macassey is satisfied that the schemes of the socialists are far too subtle for the laboring man, that they leave him unmoved and cold, and that his interest is limited to what is comprehended in three dominating aspirations:

(a) Removal of the ever-present menace of unemployment.

Unemployment is a curse so great that no reasonable effort should be spared to reduce it to a minimum. The remedy for unemployment probably does not lie in doles or in insurance but in an organization of industry that will furnish continuity of employment with one employer at one place, or with two or more employers at several places, or in two or more occupations in one or in several places.

(b) Recognition in industry of the worker's human status.

This "human status" in industry is a vague impression that has never been well defined, and tends to invade fields of management where one dominant voice only can give direction. The confusion surrounding the catch words "a voice in conditions," "interference in management," etc., etc., must

be cleared away, the field delimited, the points of contact defined and accommodation reached or the impossibility of change convincingly demonstrated.

(c) Distribution, as of moral right, of an equitable share of the product.

"The workman at the present time gets at least the best of it in this respect; that, in bad times, the workers get as a first charge on the product, wages much higher than subsistence rates, and the shareholders go without return, resulting in great privation to many whose meager incomes consist of dividends." He thus gets at the expense of capital and management more than he contributes. Much work remains to be done in this field of inquiry.

In any event, it is clear that as to these matters socialism holds no suggestion of a solution. For that solution we must look to the enterpriser and the economist.

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